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| AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT | | 1. CONTRACT ID CODE | PAGE 1 OF 4 PAGES |
| 2. AMENDMENT/MODIFICATION NO. M119 | 3. EFFECTIVE DATE see block 16c | 4. REQUISITION/PURCHASE REQ. NO. N/A | 5. PROJECT NO. |
| 6. ISSUED BY U.S. Department of Energy Nevada Operations Office P.O. Box 98518 Las Vegas, NV 89193-8518 | CODE | 7. ADMINISTERED BY (If other than Item 6) CODE | |
| 8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Bechtel Nevada P.O. Box 98521 Las Vegas, NV 89193-8521 | | (v) | 9A. AMENDMENT OF SOLICITATION NO. |
| | | | 9B. DATED (SEE ITEM 11) |
| | | X | 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC08-96NV11718 |
| | | | 10B. DATED (SEE ITEM 13) 01/01/96 |
| CODE | FACILITY CODE | | |

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not ex-tended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

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| | A. THIS CHANGE ORDER IS ISSUED PURSUANT TO (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. |
| | B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b). |
| | C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: |
| X | D. OTHER (Specify type of modification and authority) Contract Clause H.32, Conditional Payment of Fee, Section J, Appendix A, Advance Understandings Human Resources fir Profit Contractors and Section J, Appendix F, Subcontracting Plan.12 |

E. IMPORTANT: Contractor _____ is not, X _____ is required to sign this document and return 3 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION

This modification revises the following Contract Clauses: Clause No. H.32 entitled "Provisional Payment of Fee" is modified to reflect the definition of the evaluation periods identified in Contract Clause I.22, Conditional Payment of Fee, Profit and Incentives."; Section J, Appendix A, entitled "Advance Understandings Human Resources For Profit is modified to reflect that revisions to Appendix A shall be accomplished by contract modification; and Section J, Appendix F, "List of Applicable Laws, Regulations, and DOE Directives" is modified to reflect that disposition changes to the Work Smart Standard Set are effective when approved by the Change Review Group Chairman and a Nevada Site Office Contracting Officer. All other terms and conditions remain the same.

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| 15A. NAME AND TITLE OF SIGNER (Type or print) Frederick A. Tarantino President & General Manager | | 16. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Melody C. Bell Contracting Officer | |
| 15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign) | 15C. DATE SIGNED | 16B. UNITED STATES OF AMERICA BY (Signature of Contracting Officer) | 16C. DATE SIGNED |

1. Contract Clause No. H.32 entitled "Provisional Payment of Fee" is modified to reflect the definition of the evaluation periods identified in Contract Clause I.22, Conditional Payment of Fee, Profit and Incentives." Contract Clause No. H .32 entitled "Provisional Payment of Fee" is deleted in its entirety and replaced with the following:

H.32 PROVISIONAL PAYMENT OF FEE

1. Definition: For purposes of this clause, the word "fee" shall mean award fee, incentive fee, profit, and/or cost savings share.
 2. For the purposes of Contract Clause I.122, "Conditional Payment of Fee, Profit, or Incentives," the evaluation periods contemplated shall be two six month periods beginning at the start of the current performance year and ending the last day of the current performance year. The amount of fee subject to reduction under the Conditional Payment of Fee Clause shall be the total fee earned plus Provisional Fee Payments made during either of the two six month periods.
 3. If interim payments of fee, are paid before the final determination of fee, those payments shall be provisional pending that final determination. Such provisional payments may be made at the discretion of the contracting officer.
 4. The final determination of fee will be made by the FDO, in accordance with the fee clauses of this contract. In the event that overpayment results from the payment of fee on a provisional basis, the contractor shall reimburse such overpayment to the Government upon demand, payable with interest in accordance with the "Interest" Clause of this contract.
2. Section J, Appendix A, entitled, "Advance Understandings Human Resources For Profit Contractors," is modified to reflect that revisions to Appendix A shall be accomplished by contract modification. Section J, Appendix A, "Advance Understandings Human Resources For Profit Contractor," "Introduction" is deleted in its entirety and replaced with the following:

SECTION J, APPENDIX A, "ADVANCE UNDERSTANDINGS HUMAN RESOURCES FOR PROFIT CONTRACTOR," "INTRODUCTION"

These advance understandings set forth those Contractor Human Resource Management policies and related expenses which have cost implications under the contract, and identifies those costs deemed reasonable and allowable for reimbursement when incurred in the performance of the Contract work. Only those items of personnel costs and related expenses that are set forth herein or specifically referenced in these advance understandings are allowable costs by advance understanding under this Contract.

The Contractor shall select, manage, and direct the work force. The Contractor shall use effective management review procedures and internal controls to assure that areas which require prior approval of the DOE Contracting Officer or designee are reviewed and approved prior to incurrence of costs.

Either party may request that these advance understandings be revised and the parties agree to give consideration in good faith to any such request. Revisions to the advance understandings shall be accomplished by executing a contract modification.

These advance understandings are adopted for the exclusive benefit and convenience of the parties hereto, and nothing contained herein shall be construed as conferring any right or benefit upon past, present, or future employees of the Contractor, or upon any other third party.

The Contractor shall promptly furnish all reports and information required or otherwise indicated in these advance understandings to the Contracting Officer or designee.

The Contractor will, in accordance with its commitment to excellence and its philosophy of continuous improvement, meet performance objectives under best practices in the design, implementation, and administration of its Human Resource Management Programs. For purposes of evaluating work under the contract for Contractor administration of Human Resource Management Programs, DOE shall consider the degree to which the Contractor has achieved best business practices defined by performance objectives.

3. In accordance with Contract Clause No. I.116, entitled, "Laws, Regulations, and DOE Directives (JUN 1997)," Section J, Appendix F, entitled, "List of Applicable Laws, Regulations and DOE Directives," is modified to reflect that disposition changes to the Work Smart Standard Set are effective when approved by the Change Review Group Chairman and a Nevada Site Office Contracting Officer. In addition, all references to NNSA/NV have been replaced with NNSA/NSO. Section J, Appendix F, entitled, "List of Applicable Laws, Regulations and DOE Directives," is deleted in its entirety and replaced with the following:

Modification No. M119

SECTION J, APPENDIX F, ENTITLED, "LIST OF APPLICABLE LAWS, REGULATIONS AND DOE DIRECTIVES"

In accordance with Contract Clause No. I.116, "Laws, Regulations, and DOE Directives (JUN 1997)," this appendix incorporates List A, List B1, List B2 and List B3 as follows:

List A - U.S. Department of Energy NNSA/NSO Approved Work Smart Standard Set Documentation Format 1 Document

List B1 - Cross Reference of DOE Orders, Guides, Manuals, Policies and Notices to List A, List B2, and List B3. *This list does not incorporate any DOE Orders, Manuals, Guides, Policies, or Notices, rather it identifies where in List A, List B2, and/or List B3 these documents are formally incorporated into the Nevada Site Office's Work Smart Standard Set.*

List B2 - DOE Directives Applicable to Activities Not Included in the Necessary and Sufficient Process

List B3 - DOE Directives Applicable to the Device Assembly Facility

NNSA/NSO has established a Work Smart Standards Change Review Group (CRG) to disposition changes to List A , List B2 and List B3. Contractors serve as members of the CRG to participate with NNSA/NSO to disposition changes. DEAR Clause 970.5204 - 2 imposes notification requirements on DOE and assessment of impact requirements on the contractor regarding changes to DOE Directives. By agreeing to the contract, NNSA/NSO and the contractor intended to meet their obligations to provide notification and assess impacts by their CRG representative participation in the NSO WSS process. Therefore, changes to WSS are hereby agreed by the parties to this contract to be applicable when such change recommendations are approved by the CRG Chairman and a Contracting Officer.

(END OF MODIFICATION)